Senate Bill No. 840

CHAPTER 341

An act to amend Section 51013.1 of, and to add Section 51015.6 to, the Government Code, to amend Section 44273 of the Health and Safety Code, to amend Section 1546.1 of the Penal Code, to amend Sections 3401 and 25751 of the Public Resources Code, and to amend Sections 388 and 399.20 of, to add Section 784.1 to, to add and repeal Section 388.2 of, and to repeal Section 2834 of, the Public Utilities Code, relating to energy, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 13, 2016. Filed with Secretary of State September 13, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 840, Committee on Budget and Fiscal Review. Public resources: energy.

(1) Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities. Existing law authorizes the PUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. Existing law authorizes certain public utilities, including gas corporations, to propose research and development programs and authorizes the PUC to allow inclusion of expenses for research and development in the public utility's rates. Existing law requires the PUC to consider specified guidelines in evaluating the research, development, and demonstration programs proposed by gas corporations.

The California Renewables Portfolio Standard Program requires the PUC to adopt policies and programs that promote the in-state production and distribution of biomethane. Existing law requires the PUC to adopt, by rule or order, standards for biomethane that specify the concentrations of constituents of concern that are reasonably necessary to protect public health and ensure pipeline integrity and safety, as specified, and requirements for monitoring, testing, reporting, and recordkeeping, as specified. Existing law requires a gas corporation to comply with those standards and requirements and requires that gas corporation tariffs condition access to common carrier pipelines on the applicable customer meeting those standards and requirements. Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

This bill would request the California Council on Science and Technology to undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications adopted by the PUC for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates. The bill would authorize the PUC to modify certain available monetary incentives to allocate some of the incentive moneys to pay for the costs of the study so as to not further burden ratepayers with additional expense. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require the PUC, within 6 months of its completion, to reevaluate requirements and standards adopted for injection of biomethane into common carrier pipelines and, if appropriate, change those requirements and standards or adopt new requirements and standards, giving due deference to the conclusions and recommendations made in the study. Because certain provisions of the bill would be a part of the act and a violation of an order or decision of the PUC implementing its requirements would be a crime, this bill would impose a state-mandated local program by creating a new crime.

Existing law requires the PUC to direct the electrical corporations to collectively procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. Existing law requires the PUC, for each electrical corporation, to allocate shares of the 250 megawatts based on the ratio of each electrical corporation's peak demand compared to the total statewide peak demand. Existing law requires the PUC to allocate those 250 megawatts to electrical corporations from specified categories of bioenergy project types, with specified portions of that 250 megawatts to be allocated from each category. Existing law requires the PUC to encourage gas and electrical corporations to develop and offer programs and services to facilitate development of in-state biogas for a broad range of purposes. Existing law authorizes the PUC, in consultation with specified state agencies, if it finds that the categorical allocations of those 250 megawatts are not appropriate, to reallocate those 250 megawatts among those categories.

This bill would establish interconnection requirements for certain bioenergy projects from which generation capacity is to be procured pursuant to the above requirement. Because the above requirements would be codified in the act, this bill would impose a state-mandated local program by creating a new crime.

The Green Tariff Shared Renewables Program requires a participating utility, defined as being an electrical corporation with 100,000 or more customers in California, to file with the PUC an application requesting approval of a tariff to implement a program enabling ratepayers to participate directly in offsite electrical generation facilities that use eligible renewable energy resources, consistent with certain legislative findings and statements of intent. Existing law requires the PUC, by July 1, 2014, to issue a decision concerning the participating utility's application, determining whether to approve or disapprove the application, with or without modifications.

Existing law requires the PUC, after notice and opportunity for public comment, to approve the application if the PUC determines that the proposed program is reasonable and consistent with the legislative findings and statements of intent and requires the PUC to require that a participating utility's green tariff shared renewables program be administered in accordance with specified provisions. Existing law repeals the program on January 1, 2019.

This bill would extend the operation of the program indefinitely. By extending the requirements of the Green Tariff Shared Renewables Program the bill would impose a state-mandated local program by extending the application of a crime.

Decisions of the PUC adopted the California Solar Initiative administered by electrical corporations and subject to the PUC's supervision. Existing law requires the PUC and the State Energy Resources Conservation and Development Commission (Energy Commission) to undertake certain steps in implementing the California Solar Initiative and requires the PUC to ensure that the total cost over the duration of the program does not exceed $3,550,800,000. Existing law specifies that the financial components of the California Solar Initiative include the New Solar Homes Partnership Program, which is administered by the Energy Commission. Existing law requires the program to be funded by charges in the amount of $400,000,000 collected from customers of the state's 3 largest electrical corporations. If moneys from the Renewable Resource Trust Fund for the program are exhausted, existing law authorizes the PUC, upon notification by the Energy Commission, to require those electrical corporations to continue the administration of the program pursuant to the guidelines established by the Energy Commission for the program until the $400,000,000 monetary limit is reached. Existing law authorizes the PUC to determine whether a 3rd party, including the Energy Commission, should administer the electrical corporation's continuation of the program. Existing law establishes the Renewable Resource Trust Fund as a fund that is continuously appropriated, with certain exceptions for administrative expenses, in the State Treasury.

This bill would require, if the PUC orders a continuation of the New Solar Homes Partnership Program and determines that the Energy Commission should be the 3rd party administrator for the program, that any funding made available for the program be deposited into the Emerging Renewable Resources Account of the Renewable Resource Trust Fund and used for the program.

(2) The Public Utilities Act requires the PUC to submit various reports to the Legislature relative to the actions of the PUC.

This bill would require the PUC to submit 2 reports to the relevant policy and fiscal committees of the Legislature by March 1, 2017. The first report would pertain to the PUC's business process inventory efforts. The 2nd report would concern options to locate operations and staff outside of the PUC's San Francisco headquarters and would explore options to allow the PUC to collaborate with other state entities and provide staff more opportunities for training, career development, and exchange placements with other state entities.

Existing law, with exceptions, prohibits a government entity from compelling the production of or access to electronic communication information or electronic device information without a search warrant, wiretap order, order for electronic reader records, or subpoena.

This bill would provide that the above provisions do not limit the authority of the PUC or the Energy Commission to obtain energy or water supply and consumption information pursuant to the powers granted to them under the Public Utilities Code or the Public Resources Code and other applicable state laws.

(3) Existing law authorizes the Department of General Services or any other state or local agency intending to enter into an energy savings contract to establish a pool of qualified energy service companies, as specified. Existing law authorizes energy service contracts for individual projects undertaken by any state or local agency to be awarded through a competitive selection process to those companies identified in the pool.

This bill would authorize the department or another state or local agency intending to enter into contracts for energy retrofit projects, as defined, to establish one of those pools. The bill would, until January 1, 2020, authorize the department and other state agencies to establish one or more pools of qualified energy service companies, as defined, that have provided the department or state agency with a specific enforceable commitment regarding the use of a skilled and trained workforce. The bill would authorize the department or state agency to select a qualified energy service company from that pool for a specific energy retrofit project on a rotational basis. The bill would require those qualified energy service companies working on a contract or project to submit a monthly report to the department or state agency, as appropriate, demonstrating their compliance with the commitment regarding the use of a skilled and trained workforce.

Under existing law, a violation of the Public Utilities Act is a crime.

Because the above provisions would be codified in the act, a violation of which would be a crime, this bill would impose a state-mandated local program.

(4) The Elder California Pipeline Safety Act of 1981, among other things, by January 1, 2018, requires any new or replacement pipeline that is near environmentally or ecologically sensitive areas to use the best technology available to reduce the amount of oil released in a spill, as specified. Existing law requires operators of existing pipelines near these areas to submit a plan by January 1, 2018, to retrofit those pipelines for these purposes using the best available technology by January 1, 2020. A violation of these provisions is a crime.

This bill would define “oil” for these provisions of the act concerning pipeline safety, by reference to a specified federal regulation, to mean petroleum, petroleum products, anhydrous ammonia, and ethanol. By expanding the scope of a crime, the bill would impose a state-mandated local program.

Under the Elder California Pipeline Safety Act of 1981, the State Fire Marshal administers provisions regulating the inspection of intrastate pipelines that transport hazardous liquids.

This bill would require the State Fire Marshal, on or before January 31, 2017, and on or before January 31 annually thereafter until January 31, 2021, to submit a report to the Legislature containing specified information regarding the inspection of those pipelines, shutoff systems in those pipelines, and the status of 2 specified pipelines.

(5) Existing law imposes, among other things, an annual charge upon each person operating or owning an interest in an oil or gas well, with respect to the production of the well, which charge is payable to the Treasurer for deposit into the Oil, Gas, and Geothermal Administrative Fund. Existing law requires that moneys from charges levied, assessed, and collected upon the properties of every person operating or owning an interest in the production of a well be used exclusively, upon appropriation, for the support and maintenance of the Department of Conservation, which is charged with the supervision of oil and gas operations, and for the support of the State Water Resources Control Board and the regional water quality control boards for their activities related to oil and gas operations that may affect water resources.

This bill would additionally authorize the use of those moneys for the support of the State Air Resources Board and the Office of Environmental Health Hazard Assessment for their activities related to oil and gas operations that may affect air quality, public health, or public safety.

(6) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the Energy Commission, to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures for the development and deployment of innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change goals. Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Fund, moneys in which are to be expended by the Energy Commission, upon appropriation, to implement the program. Existing law creates the Public Interest Research, Development, and Demonstration Fund in the State Treasury and required that specified moneys collected by the state's 3 largest electrical corporations, until January 1, 2012, be paid into the Public Interest Research, Development, and Demonstration Fund. Existing law requires $10,000,000 to be transferred annually from the Public Interest Research, Development, and Demonstration Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.

This bill would repeal the requirement that $10,000,000 be transferred annually from the Public Interest Research, Development, and Demonstration Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.

(7) Existing law vests with the Energy Commission jurisdiction over specified matters related to energy. Existing law requires the Attorney General, upon the request of the Energy Commission, to petition a court of competent jurisdiction to enjoin violations of law that are within the subject

matter of the Energy Commission. Existing law requires the Energy Commission to prescribe, by regulation, building design and construction standards, energy and water efficiency design standards for new residential and nonresidential buildings, and appliance efficiency standards. Existing law authorizes the Energy Commission to establish an administrative enforcement process to enforce the appliance efficiency standards. Existing law establishes the Appliance Efficiency Enforcement Subaccount in the Energy Resources Program Account for the deposition of the penalties collected. Existing law authorizes the moneys in the subaccount to be expended by the Energy Commission, upon appropriation by the Legislature, for the education of the public regarding appliance energy efficiency and for the enforcement of specified regulations.

This bill would appropriate $275,000 from the Appliance Efficiency Enforcement Subaccount in the Energy Resources Programs Account to the Energy Commission to support the Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(9) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 51013.1 of the Government Code is amended to read:

51013.1. (a) By January 1, 2018, any new or replacement pipeline near environmentally and ecologically sensitive areas in the coastal zone shall use best available technology, including, but not limited to, the installation of leak detection technology, automatic shutoff systems, or remote controlled sectionalized block valves, or any combination of these technologies, based on a risk analysis conducted by the operator, to reduce the amount of oil released in an oil spill to protect state waters and wildlife.

(b) (1) By July 1, 2018, an operator of an existing pipeline near environmentally and ecologically sensitive areas in the coastal zone shall submit a plan to retrofit, by January 1, 2020, existing pipelines near environmentally and ecologically sensitive areas in the coastal zone with the best available technology, including, but not limited to, installation of leak detection technologies, automatic shutoff systems, or remote controlled sectionalized block valves, or any combination of these technologies, based on a risk analysis conducted by the operator to reduce the amount of oil released in an oil spill to protect state waters and wildlife.

(2) An operator may request confidential treatment of information submitted in the plan required by paragraph (1) or contained in any documents associated with the risk analysis described in this section, including, but not limited to, information regarding the proposed location of automatic shutoff valves or remote controlled sectionalized block valves.

(c) The State Fire Marshal shall adopt regulations pursuant to this section by July 1, 2017. The regulations shall include, but not be limited to, all of the following:

(1) A definition of automatic shutoff systems.

(2) A process to assess the adequacy of the operator's risk analysis.

(3) A process by which an operator may request confidential treatment of information submitted in the plan required by paragraph (1) of subdivision (b) or contained in any documents associated with the risk analysis described in this section.

(4) A determination of how near to an environmentally and ecologically sensitive area a pipeline must be to be subject to the requirements of this section based on the likelihood of the pipeline impacting those areas.

(d) An operator of a pipeline near environmentally and ecologically sensitive areas in the coastal zone shall notify the Office of the State Fire Marshal of any new construction or retrofit of pipeline in these waters.

(e) For purposes of implementing this section, the State Fire Marshal shall consult with the Office of Spill Prevention and Response about the potential impacts to state water and wildlife.

(f) For purposes of this section, "environmentally and ecologically sensitive areas" is the same term as described in subdivision (d) of Section 8574.7.

(g) (1) For purposes of this section, "best available technology" means technology that provides the greatest degree of protection by limiting the quantity of release in the event of a spill, taking into consideration whether the processes are currently in use and could be purchased anywhere in the world.

(2) The State Fire Marshal shall determine what is the best available technology and shall consider the effectiveness and engineering feasibility of the technology when making this determination.

(h) For the purposes of this section, "oil" means hazardous liquid as defined in Section 195.2 of Title 49 of the Code of Federal Regulations.

SEC. 2. Section 51015.6 is added to the Government Code, to read:

51015.6. (a) On or before January 31, 2017, and on or before January 31 annually thereafter, the State Fire Marshal shall submit a report to the Legislature containing information, including, but not limited to, all of the following:

(1) The number of annual inspections conducted pursuant to Section 51015.1.

(2) The status of the installation of automatic shutoff systems pursuant to Section 51013.1, including a summary of the types of shutoff systems installed, and the number of miles of pipeline covered by an automatic shutoff system.

(3) The status of Line 901 and Line 903 in the County of Santa Barbara.

(b) (1) A report required to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795.

(2) Pursuant to Section 10231.5, this section is inoperative on January 31, 2021.

SEC. 3. Section 44273 of the Health and Safety Code is amended to read:

44273. (a) The Alternative and Renewable Fuel and Vehicle Technology Fund is hereby created in the State Treasury, to be administered by the commission. The moneys in the fund, upon appropriation by the Legislature, shall be expended by the commission to implement the Alternative and Renewable Fuel and Vehicle Technology Program in accordance with this chapter.

(b) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

(1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, benefit-cost assessment, and progress towards achieving these benefits.

(3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.

(4) Key obstacles and challenges to meeting these goals identified through funded projects.

(5) Recommendations for future actions.

SEC. 4. Section 1546.1 of the Penal Code is amended to read:

1546.1. (a) Except as provided in this section, a government entity shall not do any of the following:

(1) Compel the production of or access to electronic communication information from a service provider.

(2) Compel the production of or access to electronic device information from any person or entity other than the authorized possessor of the device.

(3) Access electronic device information by means of physical interaction or electronic communication with the electronic device. This section does not prohibit the intended recipient of an electronic communication from voluntarily disclosing electronic communication information concerning that communication to a government entity.

(b) A government entity may compel the production of or access to electronic communication information from a service provider, or compel the production of or access to electronic device information from any person or entity other than the authorized possessor of the device only under the following circumstances:

(1) Pursuant to a warrant issued pursuant to Chapter 3 (commencing with Section 1523) and subject to subdivision (d).

(2) Pursuant to a wiretap order issued pursuant to Chapter 1.4 (commencing with Section 629.50) of Title 15 of Part 1.

(3) Pursuant to an order for electronic reader records issued pursuant to Section 1798.90 of the Civil Code.

(4) Pursuant to a subpoena issued pursuant to existing state law, provided that the information is not sought for the purpose of investigating or prosecuting a criminal offense, and compelling the production of or access to the information via the subpoena is not otherwise prohibited by state or federal law. Nothing in this paragraph shall be construed to expand any authority under state law to compel the production of or access to electronic information.

(c) A government entity may access electronic device information by means of physical interaction or electronic communication with the device only as follows:

(1) Pursuant to a warrant issued pursuant to Chapter 3 (commencing with Section 1523) and subject to subdivision (d).

(2) Pursuant to a wiretap order issued pursuant to Chapter 1.4 (commencing with Section 629.50) of Title 15 of Part 1.

(3) With the specific consent of the authorized possessor of the device.

(4) With the specific consent of the owner of the device, only when the device has been reported as lost or stolen.

(5) If the government entity, in good faith, believes that an emergency involving danger of death or serious physical injury to any person requires access to the electronic device information.

(6) If the government entity, in good faith, believes the device to be lost, stolen, or abandoned, provided that the entity shall only access electronic device information in order to attempt to identify, verify, or contact the owner or authorized possessor of the device.

(7) Except where prohibited by state or federal law, if the device is seized from an inmate's possession or found in an area of a correctional facility under the jurisdiction of the Department of Corrections and Rehabilitation where inmates have access and the device is not in the possession of an individual and the device is not known or believed to be the possession of an authorized visitor. Nothing in this paragraph shall be construed to supersede or override Section 4576.

(d) Any warrant for electronic information shall comply with the following:

(1) The warrant shall describe with particularity the information to be seized by specifying the time periods covered and, as appropriate and reasonable, the target individuals or accounts, the applications or services covered, and the types of information sought.

(2) The warrant shall require that any information obtained through the execution of the warrant that is unrelated to the objective of the warrant shall be sealed and not subject to further review, use, or disclosure without a court order. A court shall issue such an order upon a finding that there is

probable cause to believe that the information is relevant to an active investigation, or review, use, or disclosure is required by state or federal law.

(3) The warrant shall comply with all other provisions of California and federal law, including any provisions prohibiting, limiting, or imposing additional requirements on the use of search warrants. If directed to a service provider, the warrant shall be accompanied by an order requiring the service provider to verify the authenticity of electronic information that it produces by providing an affidavit that complies with the requirements set forth in Section 1561 of the Evidence Code. Admission of that information into evidence shall be subject to Section 1562 of the Evidence Code.

(e) When issuing any warrant or order for electronic information, or upon the petition from the target or recipient of the warrant or order, a court may, at its discretion, do any or all of the following:

(1) Appoint a special master, as described in subdivision (d) of Section 1524, charged with ensuring that only information necessary to achieve the objective of the warrant or order is produced or accessed.

(2) Require that any information obtained through the execution of the warrant or order that is unrelated to the objective of the warrant be destroyed as soon as feasible after the termination of the current investigation and any related investigations or proceedings.

(f) A service provider may voluntarily disclose electronic communication information or subscriber information when that disclosure is not otherwise prohibited by state or federal law.

(g) If a government entity receives electronic communication information voluntarily provided pursuant to subdivision (f), it shall destroy that information within 90 days unless one or more of the following circumstances apply:

(1) The entity has or obtains the specific consent of the sender or recipient of the electronic communications about which information was disclosed.

(2) The entity obtains a court order authorizing the retention of the information. A court shall issue a retention order upon a finding that the conditions justifying the initial voluntary disclosure persist, in which case the court shall authorize the retention of the information only for so long as those conditions persist, or there is probable cause to believe that the information constitutes evidence that a crime has been committed.

(3) The entity reasonably believes that the information relates to child pornography and the information is retained as part of a multiagency database used in the investigation of child pornography and related crimes.

(h) If a government entity obtains electronic information pursuant to an emergency involving danger of death or serious physical injury to a person, that requires access to the electronic information without delay, the entity shall, within three days after obtaining the electronic information, file with the appropriate court an application for a warrant or order authorizing obtaining the electronic information or a motion seeking approval of the emergency disclosures that shall set forth the facts giving rise to the emergency, and if applicable, a request supported by a sworn affidavit for an order delaying notification under paragraph (1) of subdivision (b) of Section 1546.2. The court shall promptly rule on the application or motion and shall order the immediate destruction of all information obtained, and immediate notification pursuant to subdivision (a) of Section 1546.2 if such notice has not already been given, upon a finding that the facts did not give rise to an emergency or upon rejecting the warrant or order application on any other ground.

(i) This section does not limit the authority of a government entity to use an administrative, grand jury, trial, or civil discovery subpoena to do any of the following:

(1) Require an originator, addressee, or intended recipient of an electronic communication to disclose any electronic communication information associated with that communication.

(2) Require an entity that provides electronic communications services to its officers, directors, employees, or agents for the purpose of carrying out their duties, to disclose electronic communication information associated with an electronic communication to or from an officer, director, employee, or agent of the entity.

(3) Require a service provider to provide subscriber information.

(j) This section does not limit the authority of the Public Utilities Commission or the State Energy Resources Conservation and Development Commission to obtain energy or water supply and consumption information pursuant to the powers granted to them under the Public Utilities Code or the Public Resources Code and other applicable state laws.

SEC. 5. Section 3401 of the Public Resources Code is amended to read:

3401. (a) The proceeds of charges levied, assessed, and collected pursuant to this article upon the properties of every person operating or owning an interest in the production of a well shall be used exclusively for the support and maintenance of the department charged with the supervision of oil and gas operations, for the State Water Resources Control Board and the regional water quality control boards for their activities related to oil and gas operations that may affect water resources, and for the support of the State Air Resources Board and the Office of Environmental Health Hazard Assessment for their activities related to oil and gas operations that may affect air quality, public health, or public safety.

(b) Notwithstanding subdivision (a), the proceeds of charges levied, assessed, and collected pursuant to this article upon the properties of every person operating or owning an interest in the production of a well undergoing a well stimulation treatment, may be used by public entities, subject to appropriation by the Legislature, for all costs associated with both of the following:

(1) Well stimulation treatments, including rulemaking and scientific studies required to evaluate the treatment, inspections, any air and water quality sampling, monitoring, and testing performed by public entities.

(2) The costs of the State Water Resources Control Board and the regional water quality control boards in carrying out their responsibilities pursuant to Section 3160 and Section 10783 of the Water Code.

SEC. 6. Section 25751 of the Public Resources Code is amended to read:

25751. (a) The Renewable Resource Trust Fund is hereby created in the State Treasury.

(b) The Emerging Renewable Resources Account is hereby established within the Renewable Resources Trust Fund. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby continuously appropriated to the commission without regard to fiscal years for the following purposes:

(1) To close out the award of incentives for emerging technologies in accordance with former Section 25744, as this law existed prior to the enactment of the Budget Act of 2012, for which applications had been approved before the enactment of the Budget Act of 2012.

(2) To close out consumer education activities in accordance with former Section 25746, as this law existed prior to the enactment of the Budget Act of 2012.

(3) To provide funding for the New Solar Homes Partnership pursuant to paragraph (3) of subdivision (e) of Section 2851 of the Public Utilities Code.

(c) The Controller shall provide to the commission funds pursuant to the continuous appropriation in, and for purposes specified in, subdivision (b).

(d) The Controller shall provide to the commission moneys from the fund sufficient to satisfy all contract and grant awards that were made by the commission pursuant to former Sections 25744 and 25746, and Chapter 8.8 (commencing with Section 25780), as these laws existed prior to the enactment of the Budget Act of 2012.

(e) If the Public Utilities Commission determines that the commission should be the third-party administrator for the New Solar Homes Partnership Program pursuant to subparagraph (A) of paragraph (3) of subdivision (e) of Section 2851 of the Public Utilities Code, any moneys made available to fund the New Solar Homes Partnership Program shall be deposited into the Emerging Renewable Resources Account of the Renewable Resource Trust Fund and used for this purpose.

SEC. 7. Section 388 of the Public Utilities Code is amended to read:

388. (a) Notwithstanding any other provision of law, a state agency may enter into an energy savings contract with a qualified energy service company for the purchase or exchange of thermal or electrical energy or water, or to acquire energy efficiency or water conservation services, or both energy efficiency and water conservation services for a term not exceeding 35 years, at rates and upon those terms approved by the agency.

(b) The Department of General Services or any other state or local agency intending to enter into an energy savings contract or a contract for an energy retrofit project may establish a pool of qualified energy service companies based on qualifications, experience, pricing, or other pertinent factors. Energy service contracts for individual projects undertaken by any state or local agency may be awarded through a competitive selection process to individuals or firms identified in the pool. The pool of qualified energy service companies and contractors shall be reestablished at least every two years or shall expire.

(c) For purposes of this section, the following definitions apply:

(1) (A) "Energy retrofit project" means a project for which the state or local agency works with a qualified energy service company to identify, develop, design, and implement energy conservation measures in existing facilities to reduce energy or water use or make more efficient use of energy or water.

(B) "Energy retrofit project" does not include the erection or installation of a power generation system, a power purchase agreement, or a project utilizing a site license or lease agreement.

(2) "Energy savings" means a measured and verified reduction in fuel, energy, or water consumption when compared to an established baseline of consumption.

(3) "Qualified energy service company" means a company with a demonstrated ability to provide or arrange for building or facility energy auditors, selection and design of appropriate energy savings measures, project financing, implementation of these measures, and maintenance and ongoing measurement of these measures as to ensure and verify energy savings.

SEC. 8. Section 388.2 is added to the Public Utilities Code, to read:

388.2. (a) For purposes of this section, the following definitions apply:

(1) "Apprenticeable occupation" means an occupation for which the chief has approved an apprenticeship program pursuant to Section 3075 of the Labor Code before January 1, 2014.

(2) "Chief" means the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) "Department" means the Department of General Services.

(4) (A) "Energy retrofit project" means a project for which the state works with a qualified energy service company to identify, develop, design, and implement energy conservation measures in existing facilities to reduce energy or water use or make more efficient use of energy or water.

(B) "Energy retrofit project" does not include the erection or installation of a power generation system, a power purchase agreement, or a project utilizing a site license or lease agreement.

(5) "Energy savings" means a measured and verified reduction in fuel, energy, or water consumption when compared to an established baseline of consumption.

(6) "Enforceable commitment" means an enforceable agreement with the department or state agency that the entity and its subcontractors at every tier will comply with this section.

(7) (A) "Qualified energy service company" means a company with a demonstrated ability to provide or arrange for building or facility energy auditors, selection and design of appropriate energy savings measures, project financing, implementation of these measures, and maintenance and ongoing measurement of these measures as to ensure and verify energy savings.

(B) An entity is not a qualified energy service company unless the entity has provided to the agency an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

(8) "Skilled and trained workforce" means a workforce that meets all of the following conditions:

(A) All workers performing work in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices in an apprenticeship program approved by the chief.

(B) (i) Except as provided in clause (ii), at least 60 percent of the skilled journeypersons employed to perform work on a contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program that was either approved by the chief pursuant to Section 3075 of the Labor Code, or an apprenticeship program located outside the state that is approved pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor, for the applicable occupation.

(ii) For an apprenticeable occupation in which no apprenticeship program had been approved by the chief before January 1, 1995, up to one-half of the requirement in clause (i) may be satisfied by skilled journeypersons who commenced working in an apprenticeable occupation before the chief's approval of an apprenticeship program in the county in which the project is located.

(iii) The requirements of this subparagraph are satisfied if, in a particular calendar month, either of the following is true:

(I) The percentage of the skilled journeypersons employed by the contractor or subcontractor to perform work on the contract or project is at least equal to 60 percent.

(II) For the hours of work performed by skilled journeypersons employed by the contractor or subcontractor on the contract or project, the percentage of hours performed by skilled journeypersons is at least equal to 60 percent.

(iv) This subparagraph does not apply to a contractor or subcontractor if, during the calendar month, the contractor or subcontractor employs skilled journeypersons to perform fewer than 10 hours of work on the contract or project.

(v) This subparagraph does not apply to a subcontractor if both of the following are true:

(I) The subcontractor is not a listed subcontractor in the investment grade audit or a substitute for a listed subcontractor.

(II) The subcontract does not exceed ½ of 1 percent of the price of the prime contract.

(9) "Skilled journeyperson" means a worker who is being paid at least the prevailing rate or per diem wages published by the Department of Industrial Relations for the occupation and geographic area and who either:

(A) Graduated from an apprenticeship program that was either approved by the chief pursuant to Section 3075 of the Labor Code, or an apprenticeship program located outside the state that is approved pursuant to the apprenticeship regulations adopted by the United States Secretary of Labor, for the applicable occupation.

(B) Has at least as many hours of on-the-job training experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.

(b) (1) The department or any other state agency intending to enter into an energy savings contract for an energy retrofit project may establish one or more pools of qualified energy services companies based on qualification, experience, pricing, or other pertinent factors. The department or state agency may select a qualified energy service company identified in the pool for a contract for a specific energy retrofit project on a rotational basis.

(2) The department or state agency has the exclusive authority to reject the plan or proposal of a qualified energy service company selected for an energy retrofit project pursuant to paragraph (1) and may continue the selection process until a satisfactory proposal is identified.

(c) (1) A qualified energy service company working on an energy retrofit project shall submit to the department or state agency, as appropriate, on a monthly basis, a report demonstrating compliance with this section.

(2) If the qualified energy service company fails to submit the monthly report or submits a report that is incomplete, the department or state agency, as appropriate, shall withhold further payments until a complete report is submitted.

(3) The monthly report is a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be available for public inspection.

(d) Prior to performing an investment grade audit, the department or other state agency shall provide a public notification that includes the project location, assigned energy services company, and the appropriate contact information on the department's Internet Web site.

(e) Subparagraph (B) of paragraph (7) of subdivision (a) and subdivision (c) do not apply if either of the following applies:

(1) The department or state agency, as appropriate, has entered into a project labor agreement, as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code, that will bind all contractors and subcontractors performing work on the project or contract and the entity agrees to be bound by that project labor agreement.

(2) The entity has entered into a project labor agreement, as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code, that will bind the entity and all contractors and subcontractors at every tier performing the project or contract.

(f) Subparagraph (B) of paragraph (7) of subdivision (a) and subdivision (c) do not apply to work performed by the California Conservation Corps that is nontrades and nonconstruction related.

(g) This section is not intended to waive other terms and conditions applicable to a state contract for an energy retrofit project.

(h) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 9. Section 399.20 of the Public Utilities Code is amended to read:

399.20. (a) It is the policy of this state and the intent of the Legislature to encourage electrical generation from eligible renewable energy resources.

(b) As used in this section, "electric generation facility" means an electric generation facility located within the service territory of, and developed to sell electricity to, an electrical corporation that meets all of the following criteria:

(1) Has an effective capacity of not more than three megawatts.

(2) Is interconnected and operates in parallel with the electrical transmission and distribution grid.

(3) Is strategically located and interconnected to the electrical transmission and distribution grid in a manner that optimizes the deliverability of electricity generated at the facility to load centers.

(4) Is an eligible renewable energy resource.

(c) Every electrical corporation shall file with the commission a standard tariff for electricity purchased from an electric generation facility. The commission may modify or adjust the requirements of this section for any electrical corporation with less than 100,000 service connections, as individual circumstances merit.

(d) (1) The tariff shall provide for payment for every kilowatthour of electricity purchased from an electric generation facility for a period of 10, 15, or 20 years, as authorized by the commission. The payment shall be the market price determined by the commission pursuant to paragraph (2) and shall include all current and anticipated environmental compliance costs, including, but not limited to, mitigation of emissions of greenhouse gases and air pollution offsets associated with the operation of new generating facilities in the local air pollution control or air quality management district where the electric generation facility is located.

(2) The commission shall establish a methodology to determine the market price of electricity for terms corresponding to the length of contracts with an electric generation facility, in consideration of the following:

(A) The long-term market price of electricity for fixed price contracts, determined pursuant to an electrical corporation's general procurement activities as authorized by the commission.

(B) The long-term ownership, operating, and fixed-price fuel costs associated with fixed-price electricity from new generating facilities.

(C) The value of different electricity products including baseload, peaking, and as-available electricity.

(3) The commission may adjust the payment rate to reflect the value of every kilowatthour of electricity generated on a time-of-delivery basis.

(4) The commission shall ensure, with respect to rates and charges, that ratepayers that do not receive service pursuant to the tariff are indifferent

to whether a ratepayer with an electric generation facility receives service pursuant to the tariff.

(e) An electrical corporation shall provide expedited interconnection procedures to an electric generation facility located on a distribution circuit that generates electricity at a time and in a manner so as to offset the peak demand on the distribution circuit, if the electrical corporation determines that the electric generation facility will not adversely affect the distribution grid. The commission shall consider and may establish a value for an electric generation facility located on a distribution circuit that generates electricity at a time and in a manner so as to offset the peak demand on the distribution circuit.

(f) (1) An electrical corporation shall make the tariff available to the owner or operator of an electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the electrical corporation meets its proportionate share of a statewide cap of 750 megawatts cumulative rated generation capacity served under this section and Section 387.6. The proportionate share shall be calculated based on the ratio of the electrical corporation's peak demand compared to the total statewide peak demand.

(2) By June 1, 2013, the commission shall, in addition to the 750 megawatts identified in paragraph (1), direct the electrical corporations to collectively procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. The commission shall, for each electrical corporation, allocate shares of the additional 250 megawatts based on the ratio of each electrical corporation's peak demand compared to the total statewide peak demand. In implementing this paragraph, the commission shall do all of the following:

(A) Allocate the 250 megawatts identified in this paragraph among the electrical corporations based on the following categories:

(i) For biogas from wastewater treatment, municipal organic waste diversion, food processing, and codigestion, 110 megawatts.

(ii) For dairy and other agricultural bioenergy, 90 megawatts.

(iii) For bioenergy using byproducts of sustainable forest management, 50 megawatts. Allocations under this category shall be determined based on the proportion of bioenergy that sustainable forest management providers derive from sustainable forest management in fire threat treatment areas, as designated by the Department of Forestry and Fire Protection.

(B) Direct the electrical corporations to develop standard contract terms and conditions that reflect the operational characteristics of the projects, and to provide a streamlined contracting process.

(C) Coordinate, to the maximum extent feasible, any incentive or subsidy programs for bioenergy with the agencies listed in subparagraph (A) of paragraph (3) in order to provide maximum benefits to ratepayers and to ensure that incentives are used to reduce contract prices.

(D) The commission shall encourage gas and electrical corporations to develop and offer programs and services to facilitate development of in-state biogas for a broad range of purposes.

(3) (A) The commission, in consultation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, the Department of Forestry and Fire Protection, the Department of Food and Agriculture, and the Department of Resources Recycling and Recovery, may review the allocations of the 250 additional megawatts identified in paragraph (2) to determine if those allocations are appropriate.

(B) If the commission finds that the allocations of the 250 additional megawatts identified in paragraph (2) are not appropriate, the commission may reallocate the 250 megawatts among the categories established in subparagraph (A) of paragraph (2).

(4) (A) A project identified in clause (iii) of subparagraph (A) of paragraph (2) is eligible, in regards to interconnection, for the tariff established to implement paragraph (2) or to participate in any program or auction established to implement paragraph (2), if it meets at least one of the following requirements:

(i) The project is already interconnected.

(ii) The project has been found to be eligible for interconnection pursuant to the fast track process under the relevant tariff.

(iii) A system impact study or other interconnection study has been completed for the project under the relevant tariff, and there was no determination in the study that, with the identified interconnection upgrades, if any, a condition specified in paragraph (2), (3), or (4) of subdivision (n) would exist. Such a project is not required to have a pending, active interconnection application to be eligible.

(B) For a project meeting the eligibility requirements pursuant to clause (iii) of subparagraph (A) of this paragraph, both of the following apply:

(i) The project is hereby deemed to be able to interconnect within the required time limits for the purpose of determining eligibility for the tariff.

(ii) The project shall submit a new application for interconnection within 30 days of execution of a standard contract pursuant to the tariff if it does not have a pending, active interconnection application or a completed interconnection. For those projects, the time to achieve commercial operation shall begin to run from the date when the new system impact study or other interconnection study is completed rather than from the date of execution of the standard contract.

(5) For the purposes of this subdivision, “bioenergy” means biogas and biomass.

(g) The electrical corporation may make the terms of the tariff available to owners and operators of an electric generation facility in the form of a standard contract subject to commission approval.

(h) Every kilowatthour of electricity purchased from an electric generation facility shall count toward meeting the electrical corporation’s renewables portfolio standard annual procurement targets for purposes of paragraph (1) of subdivision (b) of Section 399.15.

(i) The physical generating capacity of an electric generation facility shall count toward the electrical corporation's resource adequacy requirement for purposes of Section 380.

(j) (1) The commission shall establish performance standards for any electric generation facility that has a capacity greater than one megawatt to ensure that those facilities are constructed, operated, and maintained to generate the expected annual net production of electricity and do not impact system reliability.

(2) The commission may reduce the three megawatt capacity limitation of paragraph (1) of subdivision (b) if the commission finds that a reduced capacity limitation is necessary to maintain system reliability within that electrical corporation's service territory.

(k) (1) Any owner or operator of an electric generation facility that received ratepayer-funded incentives in accordance with Section 379.6 of this code, or with Section 25782 of the Public Resources Code, and participated in a net metering program pursuant to Sections 2827, 2827.9, and 2827.10 of this code prior to January 1, 2010, shall be eligible for a tariff or standard contract filed by an electrical corporation pursuant to this section.

(2) In establishing the tariffs or standard contracts pursuant to this section, the commission shall consider ratepayer-funded incentive payments previously received by the generation facility pursuant to Section 379.6 of this code or Section 25782 of the Public Resources Code. The commission shall require reimbursement of any funds received from these incentive programs to an electric generation facility, in order for that facility to be eligible for a tariff or standard contract filed by an electrical corporation pursuant to this section, unless the commission determines ratepayers have received sufficient value from the incentives provided to the facility based on how long the project has been in operation and the amount of renewable electricity previously generated by the facility.

(3) A customer that receives service under a tariff or contract approved by the commission pursuant to this section is not eligible to participate in any net metering program.

(*l*) An owner or operator of an electric generation facility electing to receive service under a tariff or contract approved by the commission shall continue to receive service under the tariff or contract until either of the following occurs:

(1) The owner or operator of an electric generation facility no longer meets the eligibility requirements for receiving service pursuant to the tariff or contract.

(2) The period of service established by the commission pursuant to subdivision (d) is completed.

(m) Within 10 days of receipt of a request for a tariff pursuant to this section from an owner or operator of an electric generation facility, the electrical corporation that receives the request shall post a copy of the request on its Internet Web site. The information posted on the Internet Web site shall include the name of the city in which the facility is located, but information that is proprietary and confidential, including, but not limited to, address information beyond the name of the city in which the facility is located, shall be redacted.

(n) An electrical corporation may deny a tariff request pursuant to this section if the electrical corporation makes any of the following findings:

(1) The electric generation facility does not meet the requirements of this section.

(2) The transmission or distribution grid that would serve as the point of interconnection is inadequate.

(3) The electric generation facility does not meet all applicable state and local laws and building standards and utility interconnection requirements.

(4) The aggregate of all electric generating facilities on a distribution circuit would adversely impact utility operation and load restoration efforts of the distribution system.

(o) Upon receiving a notice of denial from an electrical corporation, the owner or operator of the electric generation facility denied a tariff pursuant to this section shall have the right to appeal that decision to the commission.

(p) In order to ensure the safety and reliability of electric generation facilities, the owner of an electric generation facility receiving a tariff pursuant to this section shall provide an inspection and maintenance report to the electrical corporation at least once every other year. The inspection and maintenance report shall be prepared at the owner's or operator's expense by a California-licensed contractor who is not the owner or operator of the electric generation facility. A California-licensed electrician shall perform the inspection of the electrical portion of the generation facility.

(q) The contract between the electric generation facility receiving the tariff and the electrical corporation shall contain provisions that ensure that construction of the electric generating facility complies with all applicable state and local laws and building standards, and utility interconnection requirements.

(r) (1) All construction and installation of facilities of the electrical corporation, including at the point of the output meter or at the transmission or distribution grid, shall be performed only by that electrical corporation.

(2) All interconnection facilities installed on the electrical corporation's side of the transfer point for electricity between the electrical corporation and the electrical conductors of the electric generation facility shall be owned, operated, and maintained only by the electrical corporation. The ownership, installation, operation, reading, and testing of revenue metering equipment for electric generating facilities shall only be performed by the electrical corporation.

SEC. 10. The Legislature finds and declares all of the following:

(a) California imports 91 percent of its natural gas, which is responsible for 25 percent of the state's emissions of greenhouse gases.

(b) California made a commitment to address climate change with the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) and the adoption of a comprehensive strategy to reduce emissions of short-lived climate pollutants (Chapter 4.2 (commencing with Section 39730) of Part 2 of Division 26 of the Health and Safety Code). For California to meet its goals for reducing emissions of greenhouse gases and short-lived climate pollutants, the state must reduce emissions from the natural gas sector and increase the production and distribution of renewable and low-carbon gas supplies.

(c) Biomethane is gas generated from organic waste through anaerobic digestion, gasification, pyrolysis, or other conversion technology that converts organic matter to gas. Biomethane may be produced from multiple sources, including agricultural waste, forest waste, landfill gas, wastewater treatment byproducts, and diverted organic waste.

(d) Biomethane provides a sustainable and clean alternative to natural gas. If 10 percent of California's natural gas use were to be replaced with biomethane use, emissions of greenhouse gases would be reduced by tens of millions of metric tons of carbon dioxide equivalent every year.

(e) Investing in biomethane would create cobenefits, including flexible generation of electricity from a renewable source that is available 24 hours a day, reduction of fossil fuel use, reduction of air and water pollution, and new jobs.

(f) Biomethane can also be used as transportation fuel or injected into natural gas pipelines for other uses. The most appropriate use of biomethane varies depending on the source, proximity to existing natural gas pipeline injection points or large vehicle fleets, and the circumstances of existing facilities.

(g) The biomethane market has been slow to develop in California because the collection, purification, and pipeline injection of biomethane can be costly.

(h) Biomethane is poised to play a key role in future natural gas and hydrogen fuel markets as a blendstock that can significantly reduce the carbon footprint of these two fossil-based alternative fuels.

(i) Biomethane is one of the most promising alternative vehicle fuels because it generates the least net emissions of greenhouse gases. According to the low-carbon fuel standard regulations (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations) adopted by the State Air Resources Board, vehicles running on biomethane generate significantly lower emissions of greenhouse gases than vehicles running on electricity or fossil fuel-derived hydrogen.

(j) The California Council on Science and Technology was established by California academic research institutions, including the University of California, the University of Southern California, the California Institute of Technology, Stanford University, and the California State University, and was organized as a nonprofit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code, in response to Assembly Concurrent Resolution No. 162 (Resolution Chapter 148 of the Statutes of 1988).

(k) The California Council on Science and Technology was uniquely established at the request of the Legislature for the specific purpose of offering expert advice to state government on public policy issues significantly related to science and technology.

(*l*) It is in the public's interests, and in the interest of ratepayers of the state's gas corporations, that the policies and programs adopted by the Public Utilities Commission be guided by the best science reasonably available.

SEC. 11. Section 784.1 is added to the Public Utilities Code, to read:

784.1. (a) The Legislature requests that the California Council on Science and Technology undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications for biomethane before it can be injected into common carrier gas pipelines, including those specifications adopted in Sections 4.4.3.3 and 4.4.4 of commission Decision 14-01-034 (January 16, 2014), Decision Regarding the Biomethane Implementation Tasks in Assembly Bill 1900. The study shall consider and evaluate other states' standards, the source of biomethane, the dilution of biomethane after it is injected into the pipeline, the equipment and technology upgrades required to meet the minimum heating value specifications, including the impacts of those specifications on the cost, volume of biomethane sold, equipment operation, and safety. The study shall also consider whether different sources of biogas should have different standards or if all sources should adhere to one standard for the minimum heating value and maximum permissible level of siloxanes. The study shall develop the best science reasonably available and not merely be a literature review. In order to meet the state's goals for reducing emissions of greenhouse gases and short-lived climate pollutants and the state's goals for promoting the use of renewable energy resources in place of burning fossil fuels, the California Council on Science and Technology, if it agrees to undertake and complete the study, shall complete the study within nine months of entering into a contract to undertake and complete the study.

(b) (1) If the California Council on Science and Technology agrees to undertake and complete the study pursuant to subdivision (a), the commission shall require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study pursuant to Sections 740 and 740.1. The commission may modify the monetary incentives made available pursuant to commission Decision 15-06-029 (June 11, 2015), Decision Regarding the Costs of Compliance with Decision 14-01-034 and Adoption of Biomethane Promotion Policies and Program, to allocate some of the moneys that would be made available for incentives to instead be made available to pay for the costs of the study so as to not further burden ratepayers with additional expense.

(2) The commission's authority pursuant to paragraph (1) shall apply notwithstanding whether the gas corporation has proposed the program pursuant to Section 740.1.

(c) If the California Council on Science and Technology agrees to undertake and complete the study pursuant to subdivision (a), within six months of its completion, the commission shall reevaluate its requirements and standards adopted pursuant to Section 25421 of the Health and Safety

Code relative to the requirements and standards for biomethane to be injected into common carrier pipelines and, if appropriate, change those requirements and standards or adopt new requirements and standards, giving due deference to the conclusions and recommendations made in the study by the California Council on Science and Technology.

SEC. 12. Section 2834 of the Public Utilities Code is repealed.

SEC. 13. (a) By March 31, 2017, the Public Utilities Commission shall report to the relevant policy and fiscal committees of the Legislature on its business process inventory efforts. The report shall include documentation and measurement of commission processes, including administrative and monitoring processes shaped by law and judicial review, program performance and communications pursuant to the commission's rules and procedures, and internal processes related to administration and managing human resources.

(b) The report shall be submitted in compliance with Section 9795 of the Government Code.

(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on April 1, 2021.

SEC. 14. (a) By March 31, 2017, the Public Utilities Commission shall report to the relevant policy and fiscal committees of the Legislature on options to locate operations and staff outside of the commission's San Francisco headquarters. The report shall explore options for leveraging additional facilities in areas of the state, including Sacramento, that would allow the commission to collaborate with other state entities and provide staff more opportunities for training, career development, and exchange placements with other state entities. The report shall do both of the following:

(1) Consider categories of operations in different offices.

(2) Analyze recruitment and retention, salary disparities by location based on duty statements, and costs associated with using locations outside of San Francisco with no, or minimal, disruption of current commission employees.

(b) The commission shall conduct one or more public workshops to obtain suggestions, concerns, ideas, and comments from stakeholders and interested members of the public in furtherance of the purpose of the report.

(c) (1) The report shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on April 1, 2021.

SEC. 15. The sum of two hundred seventy-five thousand dollars ($275,000) is hereby appropriated from the Appliance Efficiency Enforcement Subaccount in the Energy Resources Programs Account to the State Energy Resources Conservation and Development Commission to support the Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program.

SEC. 16. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 17. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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